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Strategic Benefits of and Approaches to Agricultural Mobile Finance

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Executive Summary

The mobile money industry began in 2009 and in that short period foreign direct investment has rolled out more than 200 platforms worldwide. Primarily modeled for financial landscapes in developing countries, most of these platforms have been launched in the capital cities and other large urban city centers. As the industry looks to expand into rural areas, in pursuit of nationwide penetration and ROI, the ecosystem of private sector players is beginning to see agriculture as the rural gateway. Agriculture is characterized by cash transactions throughout the value chain. The potential to convert these cash transactions to mobile transactions presents a significant value proposition for the mobile money industry as well as agriculture.

This presentation will consider the benefits of mobile finance to smallholder farmers as a preamble to what are the barriers to mobile finance in rural areas. The three approaches of; market research, strategic alliance formation and horizontal integration of mobile finance supply and demand into agri-value chain interventions will then be discussed.